



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JONATHAN E. FREEDMAN
Chief Deputy

313 North Figueroa Street, Room 708
Los Angeles, California 90012
TEL (213) 240-8156 • FAX (213) 481-2739

www.publichealth.lacounty.gov



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September 29, 2008

TO: Each Health Deputy

FROM: Jonathan E. Freedman
Chief Deputy

SUBJECT: **NOTICE OF INTENT TO EXERCISE DELEGATED AUTHORITY TO
IMPLEMENT A FUNDING ADJUSTMENT TO AGREEMENTS FOR BLACK
INFANT HEALTH PROGRAM SERVICES**

This is to advise you that the Department of Public Health (DPH) will implement the "Funding/Services Adjustments and Reallocations" provision of agreements with the Children's Collective, Inc., contract number H700539 and Great Beginnings For Black Babies, contract number H700540, for the provision of Black Infant Health Program (BIH) Services. This provision authorizes the Director or his designee to decrease allocations by an amount not to exceed fifteen percent of the applicable County maximum obligation and to decrease contract allocations if there is an underutilization of funds by the contractor. The Black Infant Health Program provides case management services to pregnant African American women and their families to prevent infant mortality and improve birth outcomes.

On January 11, 2008, the California State Department of Public Health (CDPH) forwarded a communication to DPH regarding a cut to the BIH State General Fund (SGF) allocation for FY 2008-09. Effective July 1, 2008, the State is implementing a 10% cut to Los Angeles County's BIH SGF allocation (\$766,068). SGF is one of three sources of BIH funding for the County. A total of \$76,607 will be reduced from the BIH SGF, reducing the County's current overall BIH allocation from \$2,047,245 to \$1,970,638 and reducing the number of clients served.

DPH's Maternal, Child, and Adolescent Health Programs (MCAH) contracts with five community agencies to provide BIH services throughout Los Angeles County. MCAH plans to decrease the allocation for two of the five BIH contractors to meet the 10% cut to the SGF. The Children's Collective, Inc. (TCCI) and Great Beginnings for Black Babies (GBBB) will take the cut to their contract allocations to offset the decrease in the BIH SGF.

On May 28, 2008 and June 4, 2008, MCAH met with TCCI and GBBB, respectively, to discuss the possibility of cutting their allocations to help offset the SGF reduction. Both agencies agreed to take the cuts to their contract allocations, understanding that a reduction to the three smaller Agencies' allocation may compromise the delivery of BIH services in their respective Service Planning Areas (SPAs). TCCI agreed to take a reduction of \$37,599, reducing its allocation from \$489,938 to \$452,339 and GBBB agreed to take a reduction of \$39,008, reducing its current contract allocation from \$508,212 to \$469,204.

CDPH approved reduced caseload targets based on the 10% reduction in the SGF. To meet the State's new service goals, MCAH plans to realign the BIH service goals amongst all five BIH contractors. TCCI and GBBB will receive decreases in funding and in their target caseloads. Historically these two agencies had some underutilization of BIH funding, which will partially offset the impact of the reductions. However, TCCI and GBBB will serve fewer individuals this year as a result of the new caseload targets.

The three smaller contractors, Mission City Community Network, Inc. (MCCN), Partners in Care Foundation, INC. (PICF) and Prototypes (PROTO) have agreed to share in accomplishing these new State required service goals by realigning their current caseload targets. MCCN will take a cut in its caseload and the other two agencies will receive an increase to their caseloads. The new caseloads will be equitable to the agencies' current funding levels. There will be no impact on the delivery of services at the three smaller agencies. Historically, the three smaller contractors have served clients in excess of their caseload targets. This realignment of caseload targets more appropriately reflects past service levels. Also, the five BIH contractors will continue to serve the contracted targeted zip codes in their respective SPAs.

If you have any questions or need additional information, please let me know within seven days of date of this memo. Unless I hear otherwise from you, the decrease to the two BIH contractors' allocations will be implemented.

JEF:iw

c: Sheila Shima
Richard Mason
Gary Izumi
Cynthia A. Harding